

Senate Government Operations Committee, Wednesday, July 31, 2013, Senate Hearing Room, Boji Tower

Sen. Randy Richardville, Chair

Senator Dave Hildenbrand Majority Vice Chair

Senator Arlan Meekhof

Senator Gretchen Whitmer Minority Vice Chair

Senator Tupac Hunter

TESTIMONY ON HB 4714 (Medicaid Reform)

Chairman Richardville, members of the Committee, thank you for the opportunity to testify before you to discuss the Medicaid Reform legislation which you are currently deliberating.

My name is Mike Freed, and I'm the CFO of Spectrum Health System, and President of Priority Health. Wearing both the finance and insurance "hats" in our integrated system, allows me insights that arguably are more unique than many others who are also reviewing this legislation.

Access to health care is an important issue for Spectrum Health as we seek to improve the health of the communities we serve. Spectrum Health continues to support the efforts to reform and expand the Medicaid program to families in Michigan and appreciates your leadership on this important issue.

As an integrated health care system with a state-wide health plan, a medical group with more than 600 health care providers, and a network of 10 community hospitals operating in West Michigan, we have a long history of caring for the uninsured and Medicaid patients across the state.

We are supportive of the larger goals that are being sought within HB 4714, to reform and improve Medicaid in the state of Michigan, and to cover more lives.

We support the Healthy Michigan Plan because foremost, it places the uninsured into a managed-care Medicaid program, something Michigan has been a leader in and where we have the greatest chance of reducing the cost of health care.

We were pleased to speak with Senator Kahn and other members of the Senate workgroup last week about our one concern. The conversation culminated in some relief from the problematic government price control in the Senate version, by reducing it to 300% of the federal poverty level.

We appreciate the work that is being done here today, but following a decade of state budget cuts to the Medicaid program, clearly this is just the first step towards greater reduction of the cost-shift that is experienced by the business community.

We commend the process the Senate workgroup has taken in recent weeks, and the efforts of the Michigan House of Representatives for putting forth a Medicaid reform proposal and subsequently passing the legislation, despite political pressures.

This Medicaid reform legislation will benefit all Michiganders, including those in West Michigan. Thank you.